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SUBJECT: MEDIA REACTION: WESTERN HEMISPHERE: LEFTIST LEANINGS IN  
LATIN AMERICA, HUGO CHAVEZ; GLOBAL ECONOMY: DOHA ROUND; SAO PAULO

#### 1. "Alan Garcia's Inauguration"

Center-right O Estado de S. Paulo (8/2) editorialized: "It's indicative that two absences have been particularly noticed in the inauguration ceremony of Peruvian President Alan Garcia, which was attended by nine leaders of the region. The most shocking one was that of Argentine President Nestor Kirchner. According to the Buenos Aires correspondent, the absence has been attributed in Argentina to a request that Venezuelan President Hugo Chavez made to Kirchner. Given Argentina's level of dependence on the Venezuelan treasury and the services Kirchner has provided to Chavez, such a version is very plausible. But Hugo Chavez's absence in Garcia's inauguration was perfectly normal. The Venezuelan President clearly interfered in the Peruvian electoral process, favoring populist candidate Ollanta Humala, with whom, along with his allies Fidel Castro and Evo Morales, he intended to strengthen an anti-American front.... Certainly not due to a coincidence, at the same time of Garcia's inauguration Chavez was touring East European and Asian nations. In Russia he confirmed a USD 3 billion acquisition of aircrafts, helicopters and military equipment.... Given his confrontationalist and bellicose rhetoric, it is entirely possible that Chavez's arms acquisition will cause an arms race in Venezuela's neighboring nations."

#### 2. "The 'Final Effort'"

Liberal, largest national circulation daily Folha de S. Paulo commented (8/2): "Eight months was the deadline that USTR Susan Schwab established for the success or failure of the emergency operation to save the Doha Round, following a meeting with Brazil's Foreign Minister Celso Amorim in Rio de Janeiro.... President Bush's mandate to negotiate trade agreements will expire in July 2007.... Without such a special power -- it is unlikely that Bush will obtain a TPA renewal from the Congress -- multilateral trade negotiations will be unfeasible.... The problem is that 'minimum consensus' can mean only another name for what has been called as 'light Doha.' It is an 'agreement' aimed more at alleviating the total demoralization of the optimistic leaders who participated in the talks than at opening major markets to less developed nations.... Therefore, it is more realistic to expect, if not a total fiasco, at least an unsatisfactory solution for Brazil's interests as a result of the current attempts to save Doha."

#### 3. "A Light Or A Postponed Doha?"

University Professor Marcos Sawaya Jank maintained in center-right O Estado de S. Paulo (8/2): "It is clear that the US is not willing to

make any effort to reduce its agricultural subsidies. A different situation may take place in 2008. First, because there will be presidential elections in November and Bush will leave the office. Everyone hopes that the new president will be less unilateralist. If the Middle East's political situation deteriorates - and everything indicates it will - there are reasons to believe that the US will look for multilateral solutions. Doha's ambitious mandate was a direct consequence of the commotion caused by Sept. 11. Second, the US will approve its new Farm Act, now in a context of serious fiscal deficit.... But the most important fact that will push an agricultural reform in the US is the dispute involving cotton subsidies conducted by Brazil. So far, the US's implementation of the WTO's decision has been only partial and cosmetic. Brazil has postponed the adoption of tougher attitudes on this issue that should include immediate retaliations. Actually, the case of cotton opens doors for several similar disputes, since the condemned mechanisms are the same applied in relation to soybeans, corn, rice and other grains."

McMullen